



January 30, 1981

DD/A REGISTRY

FILE: *Equip + Supplies - 4*

BULLETIN NO. 81-9

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Moratorium on Procurement of Certain Equipment

1. Purpose. This Bulletin provides for a moratorium on the procurement of certain types of equipment by Executive Branch departments and agencies and for a limited number of exemptions from the moratorium. It also provides instructions for reducing Executive Branch procurement of equipment during fiscal year 1981.

2. Rescission. OMB Bulletin No. 80-6, dated February 27, 1980, is hereby rescinded.

3. Authority and Background. The Budget and Accounting Act of 1921, as amended; and the Federal Property and Administrative Services Act of 1949, as amended. The President has directed that a moratorium be placed on the purchasing, leasing, or rental of certain types of equipment and that a reduction be made in procurement of these items during fiscal year 1981. The moratorium becomes effective immediately.

4. Policy. Each Executive Branch department and establishment will not incur new obligations for the purchasing, leasing, or rental of equipment specified in the attachment until a plan for the reduction of obligations for procurement of such equipment in fiscal year 1981 has been approved by OMB.

5. Coverage. These instructions apply to all Executive Branch departments and establishments.

The types of equipment covered by the moratorium are listed in the attachment and are comprised of property that is movable and durable in nature (i.e., equipment that normally would be expected to have a period of service of a year or more). Military equipment, equipment required for direct support of military operations, and equipment needed to protect human life, health and safety, and property are excluded. Items produced by the Federal Prison Industries, Inc. or by sheltered workshops for the blind and other severely handicapped under the auspices of P.L. 92-28 are also excluded.

The moratorium is not intended to apply to extensions or renewals of existing leases or rentals.

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6. Exemptions. Specific exemptions to the moratorium will be granted by the Director of OMB on a case-by-case basis when the purchasing, leasing or rental of equipment is absolutely necessary to the performance of an essential Federal program or mission, i.e., the procurement cannot be postponed for the duration of the moratorium without disrupting essential programs or services.

7. Actions to be taken. Unless specifically exempted by the Director of OMB, no new obligations may be incurred by agencies for the purchasing, leasing or rental of equipment items that are covered by the moratorium, as defined in section 5 and the attachment.

If a department or agency head believes that an exemption from the moratorium is necessary and procurement cannot be postponed, a request for an exemption, including a complete explanation and justification of the request, should be made by letter. It should be addressed to the Director of the Office of Management and Budget, and signed by the agency head.

Each agency will also review and reassess its equipment requirements and submit a plan for reduction of obligations for procurement of equipment in fiscal year 1981 below the amount estimated in the 1982 Budget transmitted to Congress on January 15, 1981. In developing these plans, agencies and OMB will take into account the furniture expense plans that have been submitted previously under the requirements of OMB Bulletin No. 80-6. New agency plans will be submitted as soon as possible, but no later than February 17, 1981, in the format of the exhibit. No agency will incur new obligations for purchasing, leasing or rental of equipment covered by the moratorium, until the new plan is approved by OMB.

8. Revised 1982 Budget. The reductions in procurement of equipment will be a part of the Administration's revised 1982 Budget. Further instructions will be provided in a later bulletin that will address the budget revisions.

9. Use of savings. Dollar savings generated from reductions will be applied to other approved program activities within the same appropriation in the following order of priority:

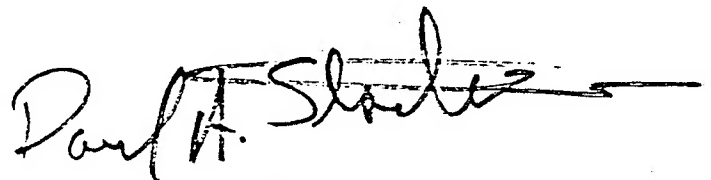
a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665 (e)); and

b. to reduce the 1981 pay supplemental transmitted with the 1982 Budget.

However, where the equipment reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

10. Information contact. Inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

11. Sunset date. This Bulletin will expire on September 30, 1981.



David A. Stockman
Director

Attachments

LIST OF ITEMS COVERED BY THE
MORATORIUM ON PROCUREMENT OF CERTAIN EQUIPMENT

The moratorium required by this Bulletin applies to the items in the following Federal Supply Classification groups, except for military equipment, equipment required for direct support of military operations, and equipment needed to protect human life, health and safety, and property. Items produced by the Federal Prison Industries, Inc., or by sheltered workshops for the blind and other severely handicapped under the auspices of P.L. 92-28 are also excluded.

- 67 Photographic equipment
- 69 Training aids and devices (excluding 6920, armament training devices)
- 70 General purpose ADP equipment, software, supplies and support (excluding 7045, ADP supplies and support equipment)
- 71 Furniture
- 72 Household and commercial furnishings and appliances
- 74 Office machines and visible record equipment
- 77 Musical instruments, phonographs and hometype radios
- 78 Recreational and athletic equipment

Planned Reductions in Fiscal Year 1981 Procurement of Certain Equipment

Department of Government
(In thousands of dollars)

A. PLANNED REDUCTIONS

| <u>Department or agency</u> | <u>Equipment</u> <u>(obligations)</u> | | <u>FY 1981 Amount</u> <u>Less Reduction</u> |
|--|--|------------------|--|
| | <u>FY 1981 Amount</u> <u>in 1982 January Budget</u> | <u>Reduction</u> | |
| Total obligations for procurement of equipment (i.e., purchasing, leasing or rental) for items covered by the moratorium..... | XXX | XX | XXX |

B. DESCRIPTION OF REDUCTIONS

Describe planned reductions in
procurement of equipment.

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| Comment | Investigate | Signature |
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